

WARRANT COMMITTEE FY07 MEETING MINUTES
MARCH 28, 2007, 7:30 P.M.
CHENERY MIDDLE SCHOOL COMMUNITY ROOM

Meeting was called to order at 7:36 by Chair Jones.

Present: Town Administrator Younger, Assistant Town Administrator Conti, Town Accountant Hagg; BOS Members Solomon, Brownsberger, and Firenze; School Committee Member Gibson, Town Treasurer Carmen

Absent: Members Christensen and Brusch

Work Toward Consensus on Appropriation of Free Cash for FY08 Budget

Chair Jones began the meeting by saying that the budget process has progressed since the last WC meeting and that Member Curtis will now present a new proposal for consideration.

Member Curtis: Previous budget discussions, he began (while distributing a prepared handout entitled FY08 Budget Worksheet), have focused on the question of "How to use free cash?" I'd like to frame the question in terms of: "What do we actually need to fund a level service operating budget?" Meaningful health insurance reform, he posited, is the single most important thing we can accomplish this year in the budget. This proposal assumes \$1M in net savings from health insurance for FY08. Again we must ask, said Member Curtis: "What in terms of free cash will it take to balance this budget to level service?"

It was noted by BOS Chair Solomon that level service for the school budget implies no funding for a guidance position, a systems and network administrator position, or full-day Kindergarten - a \$600K cost reduction from the enhanced budget originally proposed by the School Committee (\$172K of the reduction came from school budget corrections). He referred to the level service budget submitted by the School Committee at the March 10 meeting.

Member Curtis proposed to close the deficit by allocating the \$800K from free cash together with \$1M from health insurance savings for a total of \$1.8M for the operating budget. BOS Member Solomon (among others at the table) observed that inherent in this proposal is an assumption of net savings from health insurance totaling \$1M. What happens, Solomon asked, if we don't achieve this savings? It seems we will need to reduce the budget by \$1M if that happens, Solomon continued, we will need to have some kind of backup plan. Member Curtis put forth that the Town simply can't afford the current level of health insurance anymore. It's time to change; it's time to achieve savings in health insurance.

SC Member Gibson said that to expect \$1M savings for FY08 is unrealistic. BOS Member Firenze agreed with Gibson and said it is difficult to ask Town employees to work for less. Member Curtis stated that he believed "that changes in plan design alone will resonate greatly in the community". Plan design changes will result in these savings, he said, not working for less. When considering a FY09 override, voters will want to know the cost of the health insurance deal that was negotiated, Curtis said. BOS Member Brownsberger questioned the numbers at hand and asked, "Are the numbers realistic and what's the giveback from salary side?" Those (health insurance) savings can't be assumed, he said.

Member Widmer declared that the health insurance equation has got to change - the numbers don't work. The reality is that we can't afford health insurance increases. This, Widmer said, is the time to take the step to protect public schools in this Town. It's change health insurance or cut teachers. The \$1M savings in health insurance can go year upon year to protect public education. Brownsberger said that he agreed totally with Member Widmer regarding health care savings and education, but that he needs to see the real numbers.

Member Paolillo asked if collective bargaining is being taken into account? If so, what are the savings going to be? SC Member Gibson replied that the expectations for savings should be for the future (FY09).

BOS Member Firenze asked if he could put a question to the WC via a "straw vote" and ask: How many WC members support Member Curtis' proposal?

A discussion of the terms of the straw vote - particularly, what exactly is Member Curtis' proposal, what numbers and assumptions does it presume, etc. - then followed.

Member Doblin said it is difficult to support this proposal without knowing what each plan change will garner in savings, and when the savings will be realized.

Member Heigham motioned to take a straw vote on the assumption that \$1M savings from health insurance would be realized and put towards the operating budget. Member White framed the question to vote on as: "Do we support a level service budget by \$1M health savings, with the proviso that those savings are validated in executive session?"

Chair Jones put forward the motion: "Shall Member Curtis' proposal be put to a straw vote?" To this motion, 10 members voted aye, 5 members abstained.

Executive Session

At 8:24, Chair Jones made a motion to go into executive session for the purpose of a collective bargaining discussion (the meeting would resume after the executive session). The motion was seconded.

A roll call vote was taken on the motion. Each member said yes.

SC members were invited to stay. The executive session proceeded.

Motion to return to open session by Chair Jones was made at 9:10.

Work Toward Consensus on Appropriation of Free Cash for FY08 Budget (Meeting Resumed)

Member Hoffman asked about the recommendations for the use of free cash that were on the table for the operating budget. Town Administrator Younger replied that \$800K is in the budget and allocated for operating expenses, but that another \$2M was needed to total \$2.8 M. Member Widmer added that that amount would get the budget to level service on both sides (Town and schools). BOS Member Firenze said it was not a level service budget - it has enhancements in it. Chair Jones noted that there is still \$800K of items that have been rejected by the capital budget. Firenze replied that \$400K is now allocated to the Town's side, and the remaining \$400K has no home.

Town Accountant Hagg said she would like to examine the numbers with a "Revenues and Expenses" spreadsheet similar to the ones she developed last year.

Member Curtis stated that the question of how much free cash to apply to the operating budget remains, and it would be best to resolve this issue sooner.

Chair Jones noted that the buildings' budget will need to increase: the cost to heat, cool, and light buildings will increase due to more square footage - i.e., the Senior Center, 2 fire stations, and perhaps the VFW.

BOS Member Firenze spoke to the VFW building: the Belmont Media Center would like to use the upper portion of building, and is willing to finance some upgrades themselves (a new roof, new air conditioning unit are needed) but the BMC is not willing to commit to building envelope upgrades. The Town can't contribute to a building it does not own, he said, and there are options regarding a title transfer from VFW to Media Center. The VFW, Firenze explained, was built by - and belongs to - the Veterans, the land it sits on is Town owned, and the surrounding land is owned by the Recreation Department. Member Doblin thought the Veterans could relocate to the new Senior Center, and perhaps the building torn down to allow for a parking lot and entrance to a valuable park. Firenze replied that this is an extremely emotional issue for the veterans.

A question from the audience was heard: Gretchen MacClain said that, while no one can control the collective bargaining outcome, the elected officials of this Town are working very hard to reduce health care costs, and it's offensive to imply that they are not. Why not, she asked, fund this budget and give future health care savings back to free cash when those savings are realized?

The WC did not comment.

Minutes Approved for 3-14-07

After corrections were made, the minutes of 3-14-07 were approved, with one abstention.

Next Meetings Posted

Town Accountant Hagg noted that the dates of posted meetings ended with this meeting and should we formally schedule meetings going forward on April 4, 11, etc. She will send around a new schedule of posted meetings. Chair Jones stated that the agenda for the April 4 meeting will be to take a look at the "Cuts and Adds" worksheet, along with proposals for funding. The agenda for April 11 will include subcommittee presentations.

BOS Members Solomon and Brownsberger both thanked and acknowledged the WC, as Brownsberger will no longer be a BOS member, and Solomon will no longer sit on the WC.

Member Heigham moved to adjourn at 9:48.

Submitted by Lisa Gibalerio
Recording Secretary